

Message Text

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PAGE 01 DAMASC 02511 311550Z

21

ACTION NEA-10

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CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-03

SIL-01 DODE-00 PM-03 H-02 L-02 PA-02 PRS-01 USIA-15

AGR-10 OES-04 FEA-01 INT-05 /120 W

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FM AMEMBASSY DAMASCUS

TO AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY TEHRAN

INFO SECSTATE WASHDC 1840

UNCLAS DAMASCUS 2511

EO 11652: N/A

TAGS: BTRA, XF, SY

SUBJECT: MID-AMERICA TRADE AND INVESTMENT MISSION

1. SUMMARY: SYRIAN OFFICIAL AND PRIVATE SECTORS KEENLY INTERESTED IN MEETING WITH ALL MEMBERS OF MID-AMERICA TRADE AND INVESTMENTS MISSION NOV 8 AND 9. AS YET, HOWEVER, WE HAVE NO FINAL LIST OF PARTICIPANTS FOR DAMASCUS. NEED SUCH LIST SOONEST. BOOMING VIABILITY OF SYRIAN ECONOMY AND MARKET DETAILED BELOW FOR MID-AMERICA GROUP'S INFORMATION. END SUMMARY.

2. JIDDA 6262 (NOTAL), FROM WIN BRIGGS OF MID-AMERICA TRADE AND INVESTMENT MISSION, REPORTS: A) ESMARK, INC., NO LONGER INTERESTED IN STOPPING IN DAMASCUS BECAUSE OF EARLIER DELAY OF ITS CORPORATE AIRCRAFT HERE ENROUTE TO KUWKIT (DAMASCUS 2472), AND B) BRIGGS HAD NOT YET HAD OPPORTUNITY TO ASSESS OTHER FIRMS' INTEREST IN COMING TO DAMASCUS, BUT CONFIDENT "SEVERAL WILL WANT TO MAKE VISIT."

3. WE ARE SERIOUSLY CONCERNED THAT THIS TOP-NOTCH GROUP OF AMERICAN UNCLASSIFIED

UNCLASSIFIED

PAGE 02 DAMASC 02511 311550Z

BUSINESSMEN, FIRST OF ITS KIND TO VISIT SYRIA IN SEVEN YEARS,

MAY NOW DWINDLE TO A NEGLIGIBLE FEW OR "SEVERAL". FROM A BEGINNING OF 23 MEMBERS ON THE MISSION, WE NOW ARE AWARE OF BRUNSWICK AND ESMARK DROPPING DAMASCUS STOP.

4. MEANWHILE, AFTER BRIGGS' DAY-LONG CONSULTATIONS IN DAMASCUS, OCT 23, EMBASSY, SYRIAN GOVERNMENT OFFICIALS AND CHAMBER OF COMMERCE HAVE BEEN WORKING HARD ON MAKING ARRANGEMENTS AND PUBLICIZING

MID-AMERICA COMMITTEE'S ARRIVAL AND PURPOSE IN DAMASCUS:

A. WE HAVE REQUESTED APPOINTMENT FOR GROUP TO CALL ON PRESIDENT ASAD. ECONOMY MINISTER IMADI AND PRESIDENCY SOURCES HAVE ENCOURAGED US TO DO SO. WHETHER OR NOT CALL ON PRESIDENT MATERIALIZES, WITH LIST OF FULL MID-AMERICA TRADE MISSION IN HANDS OF IMADI AND OTHERS, AND GIVEN FACT IMADI PUSHED HARD IN WASHINGTON AND DAMASCUS TO HAVE GROUP COME HERE, WE ARE CONCERNED OVER SYRIAN REACTION IF ONLY A FEW MEMBERS MAKE THE DAMASCUS STOP.

B. WE HAVE ARRANGED FOR IMADI AND OTHER INTERESTED GOVERNMENT OFFICIALS TO PRESENT INITIAL BRIEFING TO GROUP (ON FRIDAY, A NON-WORKING DAY).

C. WE HAVE ARRANGED THROUGH ACTIVE CHAMBER OF COMMERCE GENERAL MANAGER AND SEVERAL BOARD MEMBERS FOR INDIVIDUAL APPOINTMENTS ON FRIDAY AND SATURDAY, NOV 8 AND 9.

D. WITH ASSISTANCE OF IMADI AND CHAMBER, WE HAVE MANAGED TO CONFIRM RESERVATIONS AT NEW OMAYAD HOTEL FOR FOUR DOUBLES AND TEN SINGLES FOR NIGHT OF NOV 8.

5. MOMENTUM OF AMERICAN VISITORS TO DAMASCUS PRIOR TO AND AFTER MID-AMERICA ARRIVAL IS MOUNTING RAPIDLY AND WE BELIEVE WILL HAVE BENEFICIAL EFFECT ON SUCCESS OF GROUP'S VISIT. WE ARE NOW WORKING WITH GOVERNMENT ON ARRANGEMENTS FOR VISIT OF SECRETARY AND MRS. EARL BUTZ AND ACCOMPANYING DEPARTMENT OF AGRICULTURE GROUP NOV. 11 TO 13. FORMER PANAM CHAIRMAN NAJEEB HALABY HAS JUST COMPLETED AN INTENSIVE FOUR-DAY ROUND OF SUCCESSFUL MEETINGS WITH GOVERNMENT OFFICIALS. HIGH-LEVEL FIRST NATIONAL CITY BANK REPS (INCLUDING INTERNATIONAL GROUP V-P GEORGE VOJDA), AMERICAN EXPRESS AND ASHLAND CHEMICAL COMPANY HAVE ALSO BEEN SEEING SYRIANS IN PAST FEW DAYS. WE AND SYRIANS ARE VERY PLEASED WITH THIS REVIVED INTEREST BY AMERICAN OFFICIALS AND PRIVATE SECTOR IN SYRIAN ECONOMY. WE WOULD THEREFORE NOT WANT TO PRODUCE DISAPPOINTMENT ON SYRIAN SIDEOWING TO WHAT WILL BE PERCEIVED AS DISINTEREST ON PART
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PAGE 03 DAMASC 02511 311550Z

OF MID-AMERICA GROUP (IN ADDITION TO WASTING CONSIDERABLE EXPENDITURE OF TIME AND EFFORT ON PART OF OVERWORKED MINISTER OF ECONOMY AND EMBASSY'S VERY LIMITED STAFF).

6. IN ADDITION TO OUR COMMENTS ON AGRICULTURE AND AGRO-BUSINESS SECTOR IN DAMASCUS 2395 WHICH BRIGGS HAS PASSED TO MID-AMERICA GROUP, FOLLOWING OVERALL SYRIAN REVENUE PICTURE FOR 1975, OBTAINED FROM GOVERNOR CENTRAL BAND AND MINISTRY ECONOMY SOURCES, SHOULD BE

NOTED BY MID-AMERICA GROUP. SYRIA EXPECTS TO EARN \$700 MILLION FROM CRUDE AND PETROLEUM PRODUCT EXPORTS IN 1975, \$100 MILLION IN PIPELINE TRANSIT FEES, \$300 MILLION FROM OTHER EXPORTS (PRINCIPALLY FROM PHOSPHATES); SYRIA EXPECTS ITS CUT FROM RABAT ARAB SUMMIT FUND TO BE AT LEAST \$750. MILLION IN 1975 AND (AND SIMILAR

FIGURE EACH YEAR THEREAFTER). TO THIS SHOULD BE ADDED SIZEABLE EAST EUROPEAN CREDITS AND JAPANESE LOW-INTEREST LOANS. CENTRAL BANK RESERVES NOW OVER \$500 MILLION AND EXPECTED TO GROW CONSIDERABLY OVER NEXT FEW YEARS.

7. OTHER TRADE AND INVESTMENT OPPORTUNITIES CURRENTLY UNDER INTENSIVE STUDY ARE:

A. BOOMING CONSTRUCTION SECTOR: CEMENT FACTORIES IN ADDITION TO 5,000 M.T. RUMANIAN-BUILT AND 6,000 M.T. EAST GERMAN BUILT.

B. INCREASE PHOSPHATE PRODUCTION FROM 100,000 M.T. TO 200,000 M.T.; LARGE TRIPLE SUPERPHOSPHATE PROJECT.

C. IRON AND STEEL MILL AND SUGAR REFINERY.

D. TOURISM: SHERATON AND FRENCH-BACKED HOTELS NOW UNDER CONSTRUCTION IN DAMASCUS. TWO SYRIAN FINANCED HOTELS BEING COMPLETED; FIVE MORE HOTELS PLANNED FOR DAMASCUS AND NUMEROUS OTHER FACILITIES THROUGHOUT COUNTRY BASED ON FRENCH TOURISM MASTER PLAN JUST BEING COMPLETED.

E. PETROCHEMICALS: PLASTICS PLANT, DETERGENT PLANT, AND LARGE-SCALE UTILIZATION OF CURRENTLY FLARED GAS FROM SYRIAN CRUDE PRODUCTION (FEASIBLE ANNUAL PRODUCTION ESTIMATED AT 380 MILLION CUBIC METERS (C.M.) BASED ON ESTIMATED RECOVERABLE RESERVES OF 8.5 BILLION C.M.); LUBE BLENDING PLANT (WHICH MOBIL REPORTEDLY WILL BUILD); ONSHORE TANKER-BALLAST CLEANING/REFINING FACILITY AT BANIAS TERMINAL.

F. OIL: EXPLORATION AND U.S. DRILLING EQUIPMENT AND TECHNOLOGY KEENLY DESIRED.

G. BANKING AND FINANCE: US-BANK FINANCED TECHNICAL TRAINING UNCLASSIFIED

UNCLASSIFIED

PAGE 04 DAMASC 02511 311550Z

PROGRAMS IN US OR SYRIA; JOINING WITH SYRIAN OVERSEAS BANKING FACILITY, UNION OF ARAB AND EUROPEAN BANKS (UBAF); ESTABLISHMENT OF US-SYRIAN BANKING FACILITY IN RAPIDLY EXPANDING "FREE TRADE ZONES" IN SEVERAL LOCATIONS IN SYRIA. (SUCH ZONES ALSO WILL CONTAIN FOREIGN CAPITAL INVESTMENT PROJECTS, E.G., CAR ASSEMBLY, DRUG PROCESSING, ETC.) BANKING, STATISTICS AND GOVERNMENT FINANCE SECTOR PRESENT CONSIDERABLE OPPORTUNITIES IN DATA PROCESSING FIELD GIVEN CURRENT DEARTH OF SYRIAN COMPUTER CAPABILITY (NATIONAL CASH REGISTER CENTURY MODEL IS HIGHEST CAPACITY AT PRESENT.)

H. HOSPITALS AND MEDICAL EQUIPMENT: AMERICAN KNOW-HOW AND EQUIPMENT HAVE DEFINITE PSYCHOLOGICAL LEG UP ON COMPETITORS GIVEN SYRIAN BELIEF AMERICAN SOURCES ARE THE BEST. POTENTIAL MARKET IS AT LEAST \$60 MILLION OVER NEXT FEW YEARS AS SARG IS EMPHASIZING UPGRADING AND EXPANSION OF MEDICAL

SERVICES THROUGHOUT THE COUNTRY.

E. GOVERNMENT IS WILLING NOW TO LOOK AT JOINT VENTURE PROPOSALS

IN CONTRAST TO HISTORY OF STATE/GOVERNMENT-ONLY-RUN PROJECTS. SPANISH BROKE THE ICE LAST YEAR WHEN PRIVATE SPANISH TRACTOR COMPANY JOINED WITH GOVERNMENT'S UNION OF ENGINEERING AND CHEMICAL INDUSTRIES (UNICHEM) IN 35/65 FOREIGN/SYRIAN GOVERNMENT JOINT VENTURE FOR TRACTOR PRODUCTION.

8. ACTION REQUESTED:

A. CAIRO: PASS THIS MESSAGE TO WIN BRIGGS AND/OR EMBOFF READ TO MID-AMERICA GROUP DURING EMBASSY MEETING. WE NEED RESPONSE SOONEST FROM GROUP RE: (1) NAMES OF DAMASCUS PARTICIPANTS, (2) RECONFIRMATION OF HOTEL RESERVATIONS (PARA 3 D, ABOVE). ALSO APPRECIATE ASSISTANCE AMEMBASSY CAIRO IN ENCOURAGING ALL MEMBERS OF GROUP TO MAKE DAMASCUS STOP. IF APPROPRIATE, PLEASE INFORM US RE ESMARK, INC. AIRCRAFT DELAY IN DAMASCUS, CIRCUMSTANCES, PROBLEMS, ETC., SO WE MAY ATTEMPT TO IMPROVE SERVICE IN FUTURE.

B. TEHRAN: ALSO PLEASE ENCOURAGE ALL MEMBERS OF GROUP TO MAKE DAMASCUS STOP.

MURPHY

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